

**CHAPTER 11****SPECIAL OR TECHNICAL SERVICES TO STATE AND LOCAL GOVERNMENTS****1101 OVERVIEW**

110101. Purpose. This chapter supplements the standards for financial accounting for receivables (Chapter 3, Volume 4, “Accounting Policy and Procedures,” of this Regulation) and for budgetary accounting for reimbursements (Chapter 15, Volume 3 “Budget Execution - Availability and Use of Budgetary Resources” of this Regulation). It provides guidance on the amounts that shall be recouped when the DoD Components perform special or technical services for state or local governments. This chapter does not provide legal authority to sell to state or local governments. Specific legal authority must be identified to make such sales.

110102. General. It is the policy of the Department to cooperate to the maximum extent possible with state and local governments to provide specialized or technical services. Such services generally shall supplement and not supplant any services provided under other authority.

A. Pricing. Specialized or technical services to state and local governments provided under authority of Title III of the Intergovernmental Cooperation Act of 1968 shall be priced as a sale to private parties at the full costs to the Department.

B. Disposition of Proceeds. Payments received by DoD Components for the costs of such service shall be deposited to the credit of the appropriation or account from which the costs of providing the services have been paid or are to be charged. Unfunded portions of the costs of such services shall be deposited to the U.S. Treasury as miscellaneous receipts.

**1102 POLICY AND PROCEDURES****110201. Types of Services**

A. The following specialized or technical services and related facilities that may be provided under Title 31, United States Code, Chapter 65, “Intergovernmental Cooperation.”

1. Any existing statistical or other studies and compilations, results of technical tests and evaluations, technical information, surveys, reports, documents, and any such materials which may be developed or prepared in the future to meet the needs of the federal government or to carry out a DoD Component’s normal responsibilities.

2. Preparation of statistical or other studies and compilations, technical tests and evaluations, technical information, surveys, reports, documents, and assistance

in the conduct of such activities, and in the preparation of such materials, provided they are similar to those that the DoD Component is authorized by law to conduct or prepare.

3. Training of the type that the DoD Components are authorized by law to conduct for DoD personnel.

4. Technical aid in the preparation of proposals for developmental and other projects for which the DoD Components provide grants-in-aid or other assistance, provided such aid primarily develops recipients' capability to prepare their own proposals.

5. Technical information, data processing, communications and personnel management systems services, and technical advice on improving logistical and management services that the DoD Components normally provide the DoD for themselves or others under existing authorities.

B. Any of the above listed specialized or technical services provided by a DoD Component to states and their political subdivisions under other authorities also may be provided under the authority of OMB Circular A-97, "Rules and Regulations Permitting Federal Agencies to Provide Specialized or Technical Services under Title III of the Intergovernmental Cooperation Act of 1968."

C. If a DoD Component receives a request for specialized or technical services that is not covered above, but that is consistent with OMB Circular A-97 and which the Component has a special competence to provide, the Component shall forward the request to the Deputy Under Secretary of Defense (Logistics) (DUSD(L)) for submission to the OMB for review. If there is doubt whether the service requested is covered, the Component should forward the request to the DUSD(L) for review.

110202. Conditions Under Which Services May Be Provided. Specialized or technical services covered under OMB Circular A-97 may be provided at the discretion of the DoD Component head only under the following conditions:

A. Such services shall be provided only to states, their political subdivisions, and combinations or associations of such governments, their agencies, and instrumentalities.

B. Such services shall be provided only upon the written request of a state or its political subdivision. Requests normally shall be made by the chief executive of such entities and shall be addressed to the head of the DoD Component involved.

C. Such services may not be provided unless the servicing DoD Component maintains similar services for its own use under the policies and procedures set forth in OMB Circular A-76, "Performance of Commercial Activities," and subsequent changes thereto. In addition, in accordance with the policies set forth in OMB Circular A-97, the requesting entity shall certify that such services cannot be procured reasonably and quickly through ordinary business channels.

D. Such services may not be offered if they require any staff additions or involve expenditures for additional equipment or other facilities solely for the purpose of providing such services, except when the costs of such services are charged to the user.

E. Such services shall be provided only upon payment or arrangement for reimbursement to the DoD Component involved by the unit of government making the request. This includes salaries and all other identifiable direct and indirect costs of performing such services.

F. Technical information provided in accordance with this chapter may not be disseminated further to third party governmental entities or associations, unless expressly authorized by the originating DoD Component.

G. If a request for a service is denied, the DoD Component shall furnish a statement to the entity making the request indicating the reasons for the denial.

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